

## Ten years after tax, social security departments in the USA and elsewhere are moving cautiously online. The UK is pioneering 'digital by default' services and the advent of a universal credit at DWP could be an opportunity for breakthrough progress

*Internationally, tax services are now building on solid progress in encouraging online take-up of their services. However social security services have not yet made this break through. Service Canada was the first to put employment insurance online in 2005 and they now have a 98 per cent take-up rate for new applications. The US Social Security Administration followed in 2009 and now have nearly 40 per cent of new pension applications completed online. In the UK, [Jane Tinkler](#) writes that the Department for Work and Pensions needs to move online in order to reduce costs and improve services, but there are worrying signs with the new universal credit that lessons are not being learnt about the 'big bang' approach to online provision.*

We know that one way of easing the strain on public service budgets facing dramatic cuts is to move online those services that can be done so as quickly as possible. The UK now has over [75 per cent of the adult population](#) with broadband access according to Ofcom. Although there are still concerns that certain customers, especially those who are in particularly vulnerable groups or with complex needs, will get left behind, the bulk of the UK can access services online, do so regularly across a whole range of services and would be keen to do so for government services if sites were available and easy to use.

The UK's Digital Champion Martha Lane Fox says that services need to be 100 per cent online. She has backing for this from others such as Helen Milner, the Chief Executive of UK Online Centres, who works with those groups that are helping to develop internet skills. Lane Fox's recent report says that services should be '[digital by default](#)'. She also recommends that all government services should be available in one place, via Directgov, and that Directgov should itself be given more 'teeth' in order to drive up the quality of public services online across all policy areas. Another recommendation is that Directgov services should be opened up to other organisations including other government bodies.

This is really key for moving social security online. The Department for Work and Pensions (DWP) currently shares information with HM Revenue and Customs (HMRC) about tax and child tax credits, and with local authorities about housing and council tax benefits.

However, the DWP's and HMRC's systems are intricate and complicated, which means that they often do not work well together. A good percentage of the relatively high fraud and error rate within benefit processing is that information that is held by the DWP itself or other government organisation is not accessible by the person making the benefit decision.

In common with the UK government generally, DWP has had a long history of difficulty with IT projects. It was one of the first UK departments to start to use large IT systems and databases in order to process the millions of benefits it pays. The main problem now is though that many of those legacy databases still form the basis for the 150-odd systems that make up the way that the department processes benefits.

Although the Department is run very efficiently, it has often been slow to recognise trends coming up from the private sector and society generally, or in seeing how its customers might want to interact with it. A report by this academic team for the [National Audit Office report](#) in 2009 described how DWP had spent millions on revolutionising its contact systems in 2002-2006, moving them over to a phone-based system. The Department felt that its particular set of customers was not going to want to, or be able to, use services online. However research that the Department commissioned in 2008 found that around 50 per cent of its customers already had access to the internet plus another large group that could get online access via friends and family.

They therefore arrived rather late to the putting-services-online party. The UK is not alone in this, the US Social Security Administration (SSA) also only moved large scale benefits such as pensions online in 2009. The driver for this movement was practical. The US realised that the baby boomer generation was reaching retirement age. And the SSA knew that it actually didn't have space in its offices for the millions of additional

retirees to register face to face. They therefore put both pensions and disability benefit applications online and its take up is now nearly 40 per cent of pensions applications and just over a quarter of disability claims taking place online.

In the UK, the first large-scale benefit to go online was Jobseekers Allowance in the summer of 2009. Before that customers had only been able to register for the benefit online which essentially replaced the first ten minutes of a 40 minute phone call. Around 50,000 people per month were registering online, showing the Department that there was a demand for this route. Between August 2009 and December 2010, nearly 5.5 million new claimants signed up to JSA online. This is however only 7 per cent of total applications. Why is this figure so low? Data from a Freedom of Information request via [WhatDoTheyKnow](#) shows that only around 25 per cent of visits to the site results in a completed claim. Does this figure tell us something about how well websites are designed in the public sector?

The push is now for the new universal credit benefit. A [report commissioned](#) by the Department but leaked to the *Guardian* seems to find that there are concerns that some lessons from previous IT troubles have not yet been learnt. This is another 'big bang' IT implementation that absolutely must work and must be completed on time. The schedule for getting the IT ready has been described as "unrealistic" even by industry players, especially when taking into account the sharing of information that will be needed with HMRC to ensure up to date tax information is available. As some of the benefit's regulations have yet to be decided, its readiness for rollout in 2013 is seeming increasingly unlikely.

This is an ambitious project that could streamline the UK's very complex benefit system at a time when those receiving benefits need all the help they can get. International examples show that benefit recipients are happy to use online services where they are available and significant savings can be made this way. This could be DWP's big breakthrough to online progress but it is going to be a difficult journey.